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Rodriguez Bill Diminishes the Benefit Cliff

MADISON – On Tuesday, the Assembly passed <u>Assembly Bill 241</u>, authored by Representative Jessie Rodriguez (R-Oak Creek), legislation that mitigates the benefit drop-off in Wisconsin Shares. The program provides childcare assistance to low-income working families.

"The benefit cliff that exists within the Wisconsin Shares program is a deterrent to participants who are trying to support their families," said Rodriguez. "This legislation creates an off-ramp so participants will gradually leave the program as their income grows."

Under current law when a participant's income exceeds 200 percent of the Federal Poverty Level (FPL) he or she is no longer eligible for the program, creating a benefit cliff.

To diminish the drop-off, when a participant's income exceeds 200 percent FPL, he or she will have their copayment increased by a small amount in relation to their income - \$1 for every \$3 their income exceeds 200 percent FPL.

"Instead of an automatic cutoff, there will be a gradual reduction so workers are not penalized for accepting promotions and continuing to seek positive career opportunities," said Rodriguez.

"This bill incentivizes hard work and helps families achieve true independence."

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